

EXHIBIT B

Settlement Agreement

This Settlement Agreement (this "Agreement") is entered into as of 10/3/2005 (the "Effective Date") by and between Delphi Corporation (together with its affiliates and subsidiaries, "Delphi") and Methode Electronics, Inc. ("Company").

- A. Company supplies various bladders (the "Parts") to Delphi pursuant to various purchase orders and supply contracts (collectively, the "Purchase Orders").
- B. Company has requested modified terms from Delphi.
- C. Company is currently Delphi's sole source for the Parts, and Delphi will not be able to obtain the Parts from an alternative source in the near term. As such, even a short supply interruption is likely to result in production shut downs for both Delphi and its OEM customer, GM.
- D. Delphi and Company disagree as to their respective rights and obligations related to the Purchase Orders.
- E. Delphi and Company believe it to be in their mutual best interests to resolve their dispute amicably by making certain modifications to the Purchase Orders in accordance with this Agreement in order to avoid litigation and to maintain a continuous flow of Parts from Company to Delphi.

Based upon the foregoing recitals and for good and valuable consideration, the receipt and adequacy of which is acknowledged, Delphi and Company agree as follows:

1. Subject to the modifications set forth herein, all Purchase Orders remain in full force and effect.
2. A. Effective for shipments of Parts to Delphi's U.S. locations (or directed locations in the case of "pass-thru" components) from and after October 4, 2005, Delphi will, pay for such Parts on "Cash in Advance" terms with a unit price discount of 1% (based on the current unit pricing) continuing through 12/23/05, and MNS2-2 (without any unit price discount) thereafter. Cash in Advance payments under this Agreement will be executed as follows: (i) Delphi will wire transfer to Company on October 4, 2005 an initial advance payment equal to the estimated payables for the next seven (7) days based on forecasted volumes, (ii) Delphi's payment system will then pay invoices for shipments starting on October 4, 2005, in full (but subject to the unit price discount) on "Net Immediate" terms (iii) the parties will, from time to time, adjust the amount of the advance payment retained by Company based on volume forecasts so that the advance payment remains approximately equal to the estimated payables for each subsequent seven (7) day period.
B. The parties intend for the payment arrangement called for in Section 2.A above to satisfy the requirements of a contemporaneous exchange for new value for purposes of the U.S. Bankruptcy Code.
3. Notwithstanding any intervening change in Delphi's financial situation, Company will continue to supply parts to Delphi in accordance with the Purchase Orders and this Agreement and waives any further right to seek adequate assurance or further contract modifications under the Uniform Commercial Code or other applicable laws.
4. Company will keep the terms of this Agreement together with all related settlement discussions strictly confidential. Company will disclose the terms of this Agreement only to its management personnel that need to know such information to implement the terms of this Agreement and legal counsel and other advisors with whom Company has a recognized legal privilege; provided that all such parties have been

informed of the confidentiality restrictions contained herein. Company further agrees that it will be responsible and liable for any breach of the confidentiality provisions set forth in this Agreement by its management personnel, legal counsel and other advisors. Company acknowledges that failure to honor the confidentiality provisions contained herein would cause significant economic harm to Delphi. Any discussions by Company with any third parties, including the press or media or consultants, regarding this Agreement and its terms are expressly prohibited.

5. The parties hereto acknowledge that they are executing this Agreement without duress or coercion and without reliance on any representations, warranties or commitments other than those representations, warranties and commitments expressly set forth in this Agreement.

6. This Agreement constitutes the entire understanding of the parties in connection with the subject matter hereof. This Agreement may not be modified, altered, or amended except by an agreement in writing signed by Delphi and Company. This Agreement shall be deemed to be incorporated by reference into, and shall be part of, all Purchase Orders without any specific reference to this Agreement in any such Purchase Order. The terms and conditions of the Purchase Orders are amended to include the terms of this Agreement. Should an inconsistency or conflict exist between the express terms of the Purchase Orders and this Agreement, the terms of this Agreement shall govern and control. This Agreement is being entered into among competent persons who are experienced in business and represented by counsel, and has been reviewed by Company and its counsel. Therefore, any ambiguous language in this Agreement will not necessarily be construed against any particular party as the drafter of such language.

7. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Michigan, without regard to conflicts of law principles.

EXECUTED as of the Effective Date.

Delphi Corporation

Methode Electronics, Inc.

By: Mark A. Shively
Name: Mark A. Shively
Title: E&S Manager - Chemical Commodity

By: Tim Glandon
Name: Tim Glandon
Title: General Manager